

K-12 Public Schools 2011-13 Biennial Operating Budget

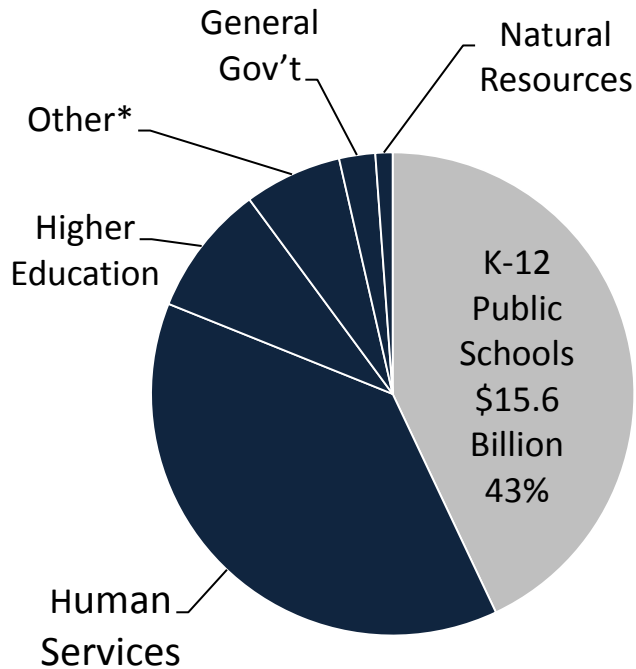
Prepared by Senate Ways and Means Committee Staff

January 12, 2011



K-12 public schools budget makes up the largest share of the state operating budget

**2011-13 State Operating Budget
Near-General Fund (state)**

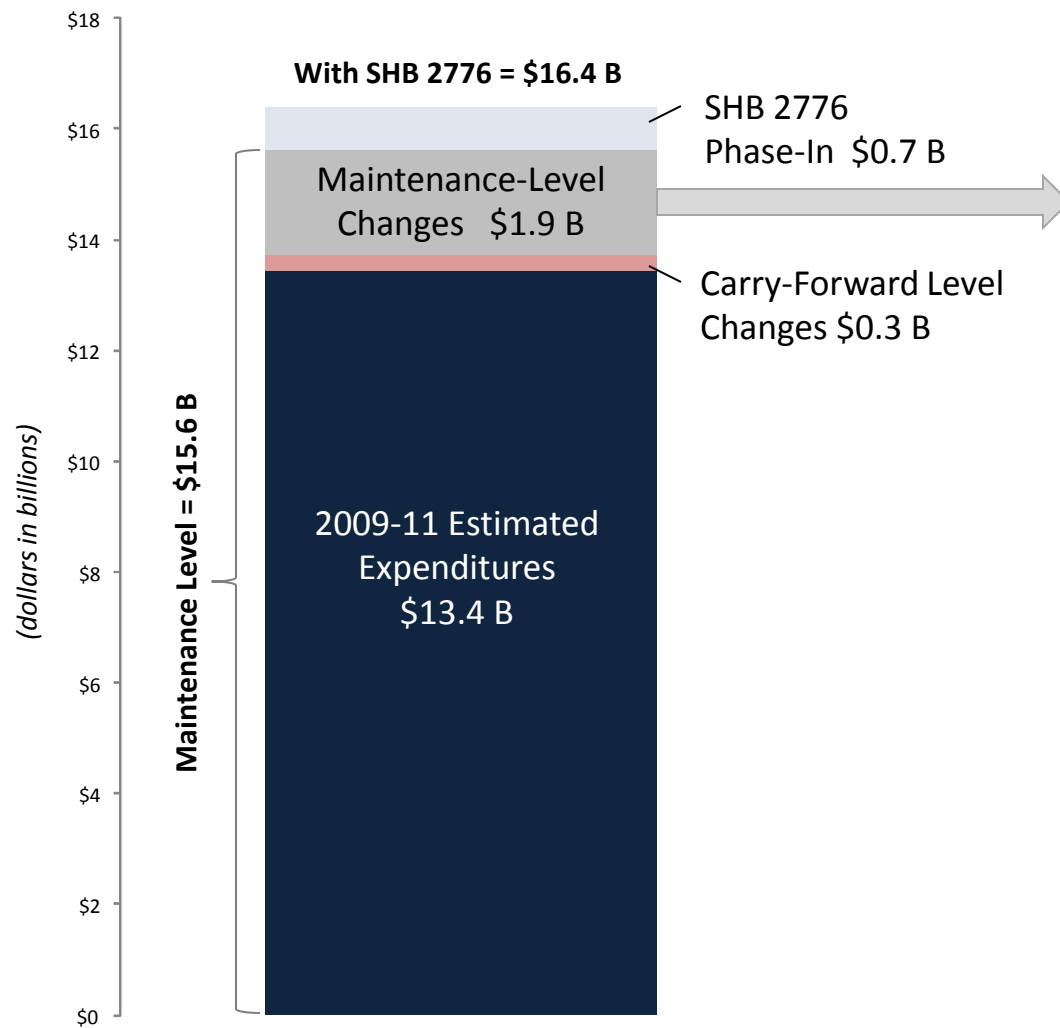


2011-13 Maintenance Level Operating Budget

K-12 Public Schools	\$15.6 B	43.0%
Human Services	13.8 B	38.1%
Higher Education	3.2 B	8.8%
Other*	2.4 B	6.5%
General Government	0.9 B	2.4%
Natural Resources	0.4 B	1.2%
Statewide Total	\$36.3 B	100.0%

*includes debt service, pensions, other education, transportation, and special appropriations.

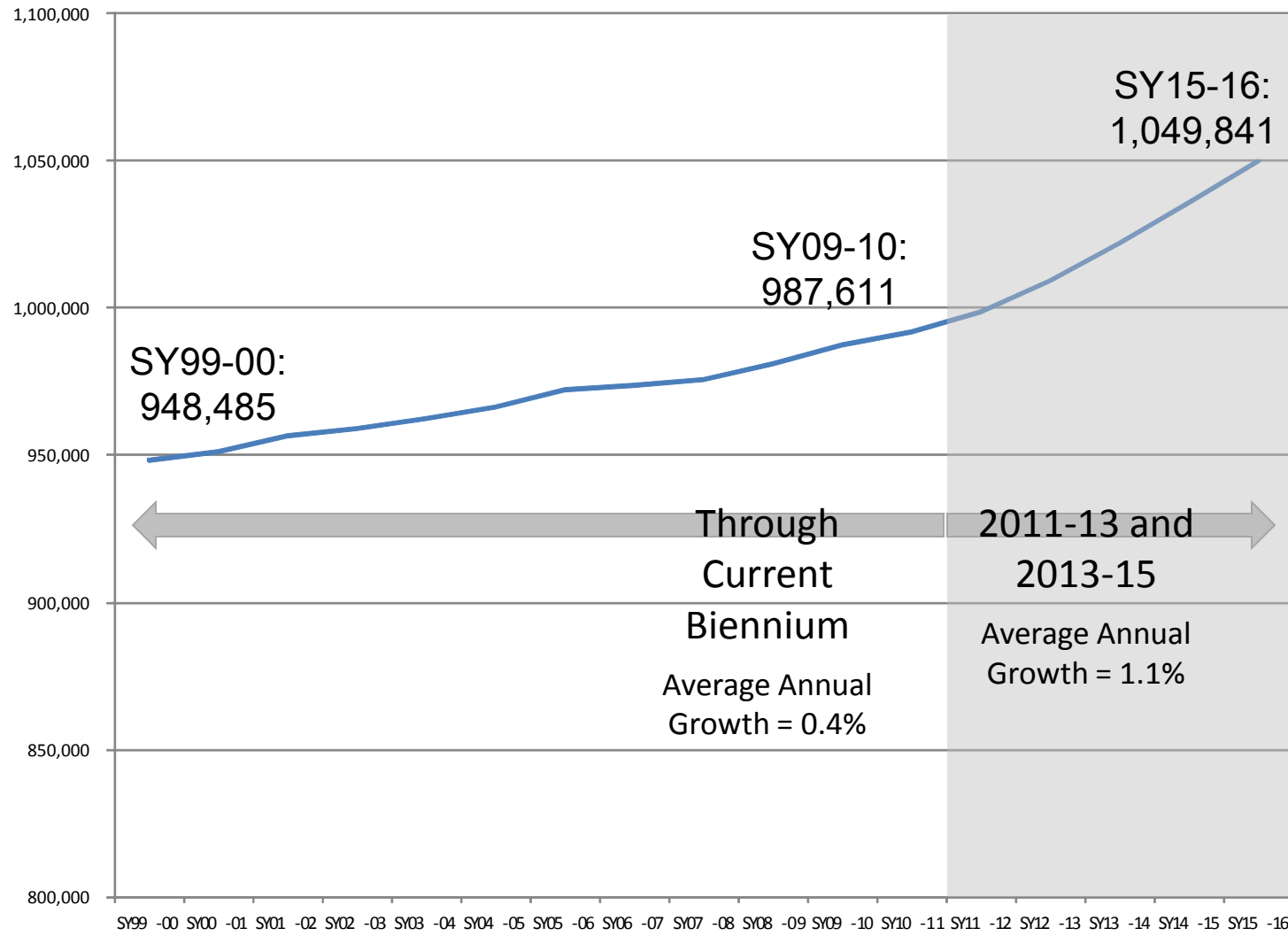
The 2011-13 maintenance-level budget for K-12 public schools is projected to be \$15.6 B



Components of Maintenance-Level Changes (dollars in millions)

Initiative 728	\$860
Pension Rate Change	429
Initiative 732 COLA	268
Caseload Adjustments	199
Assessment System Costs	52
School Bus Depreciation	42
K-12 Inflation	30
National Board Bonus	27
Staff Mix	22
Federal Forest Funding	16
Local Effort Assistance	13
Small School Factor	4
Prior School Year Adjustments	(2)
Local Deductible Revenues	(3)
Conversion to New Formula	(37)
Total ML Changes	\$1,921

After years of relatively slow growth, K-12 enrollments are projected to increase



Most of the K-12 budget is defined as “basic education” and neither fiscal crisis nor financial burden relieves Legislature’s duty to fund

2011-13 budget for K-12 (dollars in millions)	
General Apportionment	\$10,676
Pupil Transportation	655
Special Education	1,405
Institutional Education	33
Transitional Bilingual Education	181
Learning Assistance Program (LAP)	262
Basic Education Total	\$13,213
OSPI State Office & Statewide Programs	61
K-4 Class Size (staffing above basic education level)	179
Pupil Transportation Coordinators	2
Food Service	6
Educational Service Districts	17
Levy Equalization	628
Highly Capable (Gifted)	19
Student Achievement Program (Initiative 728)	860
Full-Day Kindergarten (part of Education Reform Program)	99
Remainder of Education Reform Program	284
Public School Employees’ COLA (Initiative 732)	268
Non-Basic Education Total	\$2,424
Total maintenance-level K-12 budget	\$15,637

Under legislation enacted in 2007-09, full day kindergarten and highly capable programs will be incorporated into basic education effective September 1, 2011

In the last two sessions, the Legislature has enacted changes to the definition of basic education and K-12 funding formulas

ESSHB 2261 (2009)

- New definition of basic education (highly capable, all-day K)
- Increase instructional hours & credits for high school graduation
- New formula for student transportation
- Targets for class-size reduction in grades K-3
- New K-12 funding formula based on prototypical schools (effective September 1, 2011)
- Quality Education Council (QEC)
- Workgroups (compensation, local funding, data systems, & technical aspects of new formula)

All changes are to be phased in by 2018 on a schedule set by the Legislature

SHB 2776 (2010)

- Funding formulas in statute with values
- Timeline for phase in

The statutory timeline for implementing enhancements contains some flexibility

SHB 2776 phase-in schedule

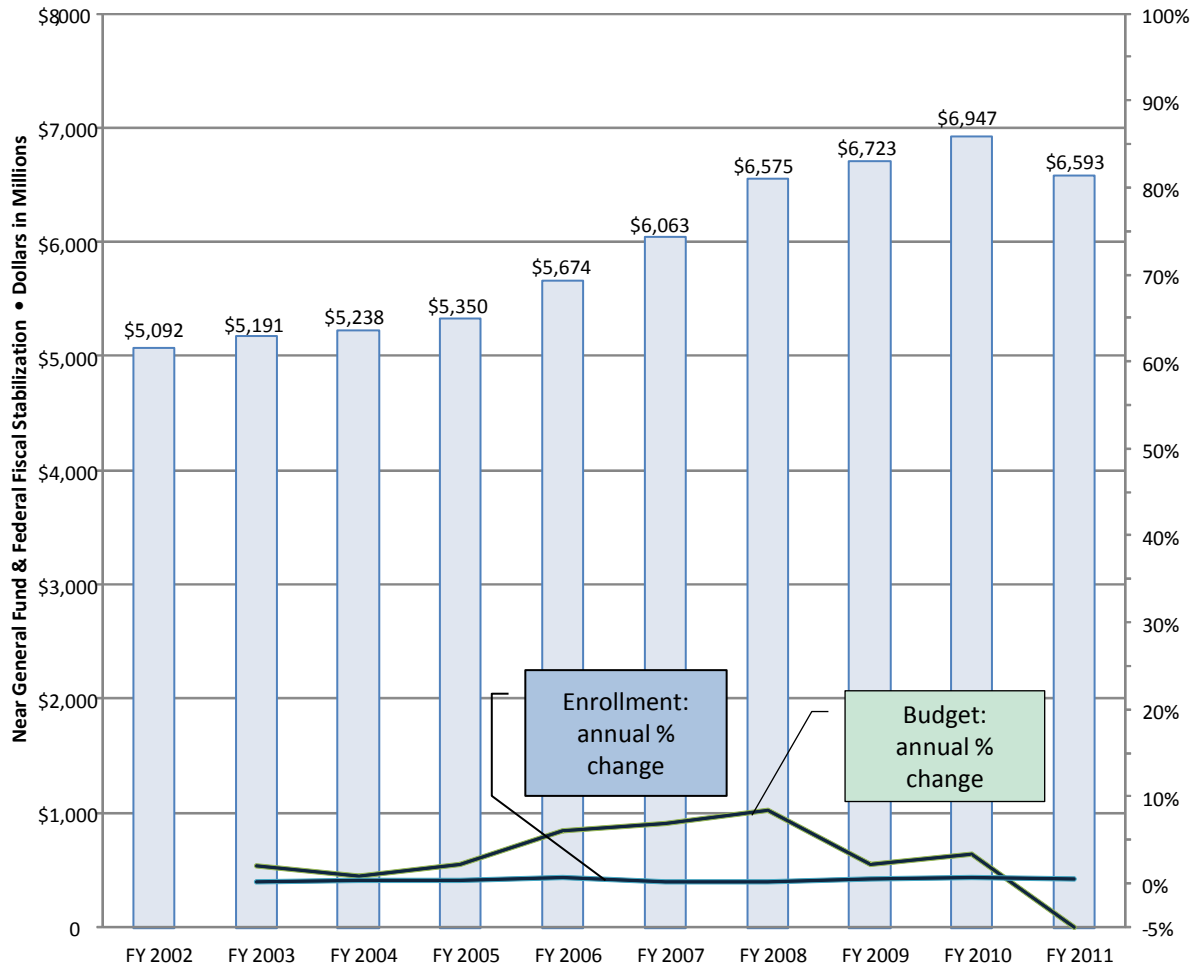
New component	Implementation must begin	Must be complete
Revised funding formulas		2011-13 biennium
Pupil transportation	In 2011-13 biennium	2013-15 biennium
Materials, Supplies and Operating Costs (MSOC)	In 2011-13	SY 2015-16, w/subsequent inflationary increases
Full-day kindergarten	In 2011-13, continuing w/highest poverty schools	SY 2017-18
Class-size allocations, grades K-3	In 2011-13, starting with highest poverty	SY 2017-18

Annual costs if phased in evenly

dollars in millions ~ based on fiscal note for SHB 2776

New component	FY12	FY13	2011-13	FY14	FY15	2013-15	FY16	FY17	2015-17	FY18	FY19	2017-19
Pupil transportation	\$32	\$72	\$104	\$112	\$152	\$264	\$160	\$160	\$320	\$160	\$160	\$320
Materials, Supplies & Operating Costs (MSOC)	117	258	375	395	535	930	683	683	1,365	683	683	1,365
Full-day kindergarten	17	40	57	63	88	152	112	135	247	158	158	317
K-3 class-size (w/out construction cost)	49	112	160	177	245	422	314	386	700	454	454	907
Hold-harmless (non-LAP)	7	8	14	6	5	11	4	3	7	1	0	2
Total	\$221	\$489	\$710	\$753	\$1,025	\$1,779	\$1,272	\$1,366	\$2,638	\$1,456	\$1,455	\$2,911

Where have major changes been made in K-12 public schools' funding in recent years?



Major changes • \$ in millions

2005-09

Expand LAP	\$25
Statewide grants & ed. reform	28

2007-09

All-day kindergarten phase-in	51
Professional development	39
Special ed. enhancement	75
Salary equity	64
Classified staff ratios	26
LAP increase	17
Transportation increase	25
Statewide grants & ed. reform	67

2009-11

I-728	(679)
I-732	(353)
Pension changes	(339)
Remove LID days	(51)
Professional development	(40)
Statewide grants & ed. reform	(75)
Bus depreciation	(22)
K-4 class size	(69)
Levy lid lift	22